

Estimated Annual Increase in Cost Per Lincoln Household for Selected Years

Service Fee or Tax	Year 4	Year 8	Year 12
Water Services	\$27-\$30	\$35-\$38	\$35-\$38
Wastewater Services	\$23-\$25	\$28-\$30	\$28-\$30
Wheel Tax	\$20	\$30	\$30
Fuel (Gasoline & Diesel) Tax	\$60-\$62	\$60-\$62	\$60-\$62
General Obligation Bond	\$70-73	\$67-\$70	\$62-\$65
TOTALS BY YEAR	\$200-\$210	\$220-\$230	\$215-\$225

Assumptions and Notes:

1. Water service rates generally reflect a 3 percent annual increase for the first 5 years, following a 7 percent increase in 2003. No increases were assumed after the first five years.
2. Wastewater service rates generally reflect a 7 percent increase in the first year with 3 percent annual increased in years two through five. No increases were assumed after the first five years.
3. Wheel taxes assumed to increase by \$5 per vehicle in years one, four, and seven. It is assumed that the average household has two cars.
4. Fuel tax assumed to be set at 5 cents in year one and remain at that level throughout the 12 year period. National automobile statistics were used in assuming that the average Lincoln household consumes about 650 gallons of fuel per year and that 95 percent of the fuel would be purchased in Lincoln.
5. General Obligation bond contribution calculated for a 20 year bond using a 4.50 percent interest rate on a \$125,400 house. The projected cost of the G.O. bond payment for the average home owner declines as the city grows since the cost is spread over a larger base of contributors.
6. No inflation was used in completing these calculations.
7. The MIFC did not look at the economic impact any of these rate increases might have on other State or local governmental jurisdictions.